



Department of Justice

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JUSTICE DEPARTMENT REQUIRES DIVESTITURES IN REPUBLIC'S ACQUISITION OF ALLIED WASTE

Settlement Preserves Competition in 15 Metropolitan Areas

WASHINGTON — The Department of Justice announced today that it has reached a settlement that will require Republic Services Inc. and Allied Waste Industries Inc. to divest commercial waste collection and disposal assets, serving 15 metropolitan areas, in order to proceed with Republic's proposed \$4.5 billion acquisition of Allied. The settlement requires Republic and Allied to divest 87 commercial waste collection routes, nine landfills and 10 transfer stations, together with ancillary assets and, in three cases, access to landfill disposal capacity. The Department said that the transaction, as originally proposed, would have resulted in higher prices for collection of municipal solid waste from commercial businesses or disposal of waste, or both, in these areas.

The Department's Antitrust Division, along with seven Attorneys General—representing California, Kentucky, Michigan, North Carolina, Ohio, Pennsylvania, and Texas—filed a civil antitrust lawsuit today in U.S. District Court in Washington, D.C., to block the proposed transaction. At the same time, the Department and the seven Attorneys General filed a proposed settlement that, if approved by the court, will resolve the lawsuit and the competitive concerns.

“Without the divestitures required by the Department, consumers in 15 areas throughout the United States would have been harmed by a reduction in competition for commercial solid waste collection and disposal,” said Deborah A. Garza, Acting Assistant Attorney General in charge of the Department's Antitrust Division. “This remedy ensures that the benefits of competition—namely, lower prices and better service—will be preserved in these areas.”

According to the complaint, the transaction, as originally proposed, would have substantially lessened competition in commercial waste collection and/or disposal services in the geographic areas of: Los Angeles; San Francisco; Denver; Atlanta; northwestern Indiana; Lexington, Ky.; Flint, Mich.; Cape Girardeau, Mo.; Charlotte, N.C.; Cleveland; Philadelphia; Greenville-Spartanburg, S.C.; and Fort Worth, Houston, and Lubbock, Texas. In each of these areas, Republic and Allied are two of only a few significant firms providing commercial waste hauling or municipal solid waste disposal services. The acquisition would have eliminated a major competitor in each of these areas and resulted in higher prices and poorer service for consumers.

Under the terms of the proposed settlement, Republic and Allied must divest waste collection and/or disposal assets to a Department of Justice approved buyer or buyers as follows:

- Atlanta—collection routes and transfer station assets;
- Cape Girardeau, Mo.—collection routes and transfer station assets;
- Charlotte, N.C.—collection routes, transfer station assets, and landfill assets;
- Cleveland—transfer station assets and landfill assets;
- Denver—landfill assets;
- Flint, Mich.—landfill assets;
- Fort Worth, Texas—collection routes and landfill assets;
- Greenville-Spartanburg, S.C.—collection routes, transfer station assets, and landfill assets;
- Houston—collection routes, transfer station assets, landfill assets, and access to landfill disposal capacity;
- Lexington, Ky.—collection routes;
- Los Angeles—landfill assets;
- Lubbock, Texas—collection routes;
- Northwest Indiana—collection routes, transfer station assets, and access to landfill disposal capacity;
- Philadelphia—transfer station assets and access to landfill disposal capacity; and
- San Francisco—landfill assets.

Under the proposed settlement, Republic would have to notify the Department and the relevant state before acquiring any waste collection and/or disposal operations in these areas for the next 10 years, the duration of the settlement.

Republic is a Delaware corporation with its principal office in Fort Lauderdale, Fla. Republic is the nation's third largest waste hauling and disposal company by revenue. It provides small container commercial waste collection and municipal solid waste disposal services throughout the United States. In 2007, Republic reported total revenues of approximately \$3.2 billion.

Allied is a Delaware corporation with its principal office in Phoenix. Allied is the nation's second largest waste hauling and disposal company by revenue. It also provides small container commercial waste collection and municipal solid waste disposal services throughout the United States. In 2007, Allied reported total revenues of approximately \$6.1 billion.

As required by the Tunney Act, the proposed settlement, along with a competitive impact statement, will be published in the Federal Register. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to Maribeth Petrizzi, Chief, Litigation II Section, Antitrust Division, U.S. Department of Justice, 1401 H Street N.W., Suite 3000, Washington, DC 20530. At the conclusion of the 60-day comment period, the court may enter the final judgment upon a finding that it serves the public interest.

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